

September 18, 2012

Robert Sapien, President
San Jose Fire Fighters, IAFF, Local 230
425 E. Santa Clara Street, Suite 300
San Jose, CA 95113

RE: 2013 Health Plan Rates

Dear Robert:

We are following up with you regarding our letter dated September 10, 2012, regarding making the low cost Kaiser 1500 deductible plan available to active employees represented by IAFF Local 230, which has been attached for your reference. As of the date of this letter, we have not received any response from you.

Please find enclosed the Police and Fire 2013 Health Plan Rates that will be made available to employees represented by IAFF Local 230 during open enrollment. Please be advised that the low cost Kaiser 1500 deductible plan will not be available to active employees represented by IAFF Local 230. As we have previously noted, all the healthcare plans available to active employees are also made available to retirees, and, in accordance with the City's Municipal Code, the retirement plan pays for the lowest priced plan available to any active employee.

Please feel free to contact me with any questions.

Sincerely,



Alex Gurza
Deputy City Manager

Enclosures

2013 Health Plan Semi-Monthly Rates

Effective from 1/1/2013 (PP 1) through 12/31/2013 (PP 25)

Health Plan Options for Employees Represented by the San Jose Police Officers Association and the International Association of Fire Fighters, Local 230

Health premiums are deducted the first 2 paydays of each month, and are pre-tax

	KAISER HMO \$25 Copay Plan Single	Family	BLUE SHIELD HMO \$25 Copay Plan Single	Family	BLUE SHIELD PPO \$3500 Deductible Plan Single	Family	BLUE SHIELD POS/PPO \$100 Deductible Plan Single	Family
100% Benefits: Full-Time Employees Including RWW Employees who work 35 - 39 Hrs								
Employee Contribution	43.78	109.02	63.66	183.08	45.81	137.54	129.48	352.58
City Contribution	248.12	617.83	248.12	617.83	248.12	617.83	248.12	617.83
Total	291.90	726.85	311.78	800.91	293.93	755.37	377.60	970.41
75% Benefits: Part-Time Employees who work 30 - 39 Hrs & RWW Employees who work 30 - 34 Hrs								
Employee Contribution	105.81	263.48	125.69	337.54	107.84	292.00	191.51	507.04
City Contribution	186.09	463.37	186.09	463.37	186.09	463.37	186.09	463.37
Total	291.90	726.85	311.78	800.91	293.93	755.37	377.60	970.41
62.5% Benefits: Part-Time & RWW Employees who work 25 - 29 Hrs								
Employee Contribution	136.82	340.71	156.70	414.77	138.85	369.23	222.52	584.27
City Contribution	155.08	386.14	155.08	386.14	155.08	386.14	155.08	386.14
Total	291.90	726.85	311.78	800.91	293.93	755.37	377.60	970.41
50% Benefits: Part-Time & RWW Employees who work 20 - 24 Hrs								
Employee Contribution	167.84	417.93	187.72	491.99	169.87	446.45	253.54	661.49
City Contribution	124.06	308.92	124.06	308.92	124.06	308.92	124.06	308.92
Total	291.90	726.85	311.78	800.91	293.93	755.37	377.60	970.41

Health In-Lieu Plan Payments

Payment in-lieu of coverage is available for qualified enrollees (full-time and RWW who work 35+ hours)
Payments are made every payday, are taxable, and are subject to tax withholding

If eligible for family coverage	221.84
If not eligible for family coverage	89.09

2013 Health Plan Semi-Monthly Rates

Effective from 1/1/2013 (PP 1) through 12/31/2013 (PP 25)

Health Plan Options for All Other Employees

Health premiums are deducted the first 2 paydays of each month, and are pre-tax

	KAISER PERMANENTE		KAISER HMO		BLUE SHIELD HMO		BLUE SHIELD OF CALIFORNIA		BLUE SHIELD POS/PO			
	\$1500 Deductible Plan	\$25 Copay Plan	\$45 Copay Plan	\$25 Copay Plan	\$500 Deductible Plan	\$100 Deductible Plan	\$3500 Deductible Plan	\$100 Deductible Plan	\$352.58 Deductible Plan			
	Single	Family	Single	Family	Single	Family	Single	Family	Single	Family		
100% Benefits: Full-Time Employees Including RWW Employees who work 35 - 39 Hrs												
Employee Contribution	0.00	0.00	43.78	109.02	11.94	50.21	63.66	183.08	45.81	137.54	129.48	352.58
City Contribution	228.85	569.85	248.12	617.83	248.12	617.83	248.12	617.83	248.12	617.83	248.12	617.83
Total	228.85	569.85	291.90	726.85	260.06	668.04	311.78	800.91	293.93	755.37	377.60	970.41
75% Benefits: Part-Time Employees who work 30 - 39 Hrs & RWW Employees who work 30 - 34 Hrs												
Employee Contribution	57.21	142.46	105.81	263.48	73.97	204.67	125.69	337.54	107.84	292.00	191.51	507.04
City Contribution	171.64	427.39	186.09	463.37	186.09	463.37	186.09	463.37	186.09	463.37	186.09	463.37
Total	228.85	569.85	291.90	726.85	260.06	668.04	311.78	800.91	293.93	755.37	377.60	970.41
62.5% Benefits: Part-Time & RWW Employees who work 25 - 29 Hrs												
Employee Contribution	85.82	213.69	136.82	340.71	104.98	281.90	156.70	414.77	138.85	369.23	222.52	584.27
City Contribution	143.03	356.16	155.08	386.14	155.08	386.14	155.08	386.14	155.08	386.14	155.08	386.14
Total	228.85	569.85	291.90	726.85	260.06	668.04	311.78	800.91	293.93	755.37	377.60	970.41
50% Benefits: Part-Time & RWW Employees who work 20 - 24 Hrs												
Employee Contribution	114.42	284.92	167.84	417.93	136.00	359.12	187.72	491.99	169.87	446.45	283.54	661.49
City Contribution	114.43	284.93	124.06	308.92	124.06	308.92	124.06	308.92	124.06	308.92	124.06	308.92
Total	228.85	569.85	291.90	726.85	260.06	668.04	311.78	800.91	293.93	755.37	377.60	970.41

Health In-Lieu Plan Payments

Payment in-lieu of coverage is available for qualified enrollees (full-time and RWW who work 35+ hours)
Payments are made every payday, are taxable, and are subject to tax withholding

If eligible for family coverage 221.84
If not eligible for family coverage 89.09



Office of the City Manager
EMPLOYEE RELATIONS

September 10, 2012

Robert Sapien, President
San Jose Fire Fighters, IAFF, Local 230
425 E. Santa Clara Street, Suite 300
San Jose, CA 95113

RE: 2013 Health Plan Rates

Dear Robert:

Please find the 2013 Health Plan Semi-Monthly Rates, effective January 1, 2013, enclosed. These rates were distributed at the August 29, 2012, Benefits Review Forum and reflect the most current premium rates for active employees, including the low cost Kaiser 1500 deductible plan.

As you know, the City made several proposals to make the Kaiser 1500 deductible plan available to IAFF Local 230 active employees, but we were unable to come to an agreement. Instead, active employees in IAFF Local 230 have access to the Blue Shield Plans and the Kaiser \$25 co-pay plan with the premium shared between the City and active employees on an 85/15 ratio.

The enclosed rate sheet shows that active employees who select the Kaiser 1500 deductible plan may not be required to make any contributions for the premium due to the lower cost of the plan. As we were not able to reach an agreement regarding healthcare options, the Kaiser 1500 deductible plan will not be available to active members of IAFF Local 230. As you know, all the healthcare plans available to active employees are also made available to retirees, and in accordance with the City's Municipal Code, the retirement plan pays for the lowest priced plan available to any active employee.

The City continues to be willing to make the Kaiser 1500 plan available to active employees in IAFF Local 230 with the modification to the 85/15 cost sharing such that the cost sharing will be based the Kaiser \$25 co-pay plan. Please let me know no later than September 14, 2012, if IAFF Local 230 is interested in pursuing that option. If we do not hear from you, we will be proceeding without offering the Kaiser 1500 deductible plan to active employees represented by IAFF Local 230.

Sincerely,

Alex Gurza
Deputy City Manager

Enclosure